

**Statement of Bonnie Speedy**  
**Vice President and National Director AARP Tax-Aide, AARP Foundation**

Thank you for asking for participation from the public and preparer community in this important discussion.

AARP Foundation Tax-Aide volunteers have provided free income tax assistance to low- and moderate-income taxpayers, especially seniors, for 41 years building a current nationwide network of 34,689 volunteer coordinators, instructors, and tax counselors. In 2009, these volunteers assisted 2.6 million taxpayers, including preparing over 1.5 million Federal tax returns and e-filing 90 percent of those returns.

Counselors have a wide diversity of backgrounds. Most are retired and some are regularly employed, still volunteering a portion of their time. Many of our volunteers are also active, current professional tax preparers, CPAs, or current or former IRS employees, all of whom have come to the program with a high level of tax knowledge. However, most of our volunteers come into the program with less technical background, but with the desire to learn and to serve.

Our AARP Tax-Aide program, working with the IRS SPEC, recognizes these differences and has demonstrated unique experience and skill in developing and testing volunteers to provide quality federal tax assistance on a national scale.

AARP Tax-Aide volunteers provide a full range of comprehensive assistance on federal income tax matters. They prepare 1040 tax returns and major portions of Schedules A, B, C-EZ, D, and nearly all credits applicable to low to middle income taxpayers of all ages, including those with children.

All Tax Counseling for the Elderly (TCE) and Volunteer Income Tax Assistance (VITA) volunteers assisting the public with actual tax preparation are required to take and pass an IRS exam. This IRS test (which AARP Tax-Aide volunteers help develop) has multiple levels including Basic, Intermediate, Advanced, International and Military. The test includes test questions on the process of preparing a 1040 return and changes in tax law to ensure volunteers are current and able to prepare an accurate return. AARP Tax-Aide requires all of its volunteers to be annually certified at the Advanced level and allows optional testing at the Military level. The IRS Grant allowed an exception from the IRS test for volunteers with professional credentials. Approximately five years ago, AARP Tax-Aide stopped taking advantage of that exception and now even requires current CPAs, EAs and IRS staff to take and pass the exam. I am unaware of any negative impact in our retention of current CPAs, EAs and IRS with the change and requirement that they also take and pass the test annually.

Automation makes annual certification by the IRS a real possibility, even for significant numbers of paid preparers:

1. The IRS has been certifying 60,000-70,000 TCE and VITA volunteers annually for decades.
2. A version of the volunteer training and test, Link & Learn, has been available via Web for 3-4 years and produces a Standards of Conduct Agreement for the volunteer to sign.

3. A similar Standards of Conduct Agreement could be generated for paid preparers who have taken the test.
4. Link & Learn can certify any, and all, of multiple levels of volunteer certification and provides a ready platform for expansion to testing other aspects of tax law, including full Schedule C's and adding a module for ethics and security.
5. Link & Learn system authentication provides the IRS with automatic recordation of the identity of those passing the exam and at what level(s).
6. With upgrading and other system modification, first time Link & Learn sign-in could generate a unique identification number for the paid preparer to use in all their interactions with the IRS.
7. When a preparer initially accesses the system each year with a required email address field, an email reply could be sent back giving the preparer a unique code to access the test. The IRS would then have an annually updated, accurate, and inexpensive way to get updated email addresses to contact all paid preparers on critical issues like the implementation of IRC 7216 and late breaking Economic Stimulus issues faced last year.
8. With continued systems modification, the IRS might be able to track error rates and repeated submissions of returns with deductions and exemptions outside normal limits to assist in identifying overly aggressive preparers for possible preparer audits. It seems reasonable that additional Circular 230 type monitoring could more easily and effectively be done with better preparer tracking.
9. A fully developed public service campaign could be initiated informing taxpayers:
  - a. That all preparers are annually tested and certified by the IRS,
  - b. That paid preparers must sign any return prepared and provide their IRS identification number,
  - c. If a paid preparer doesn't sign, they are illegally providing paid services (legislation needed), and
  - d. Taxpayers (or other preparers) should call an IRS hotline if they believe a preparer is not complying, providing a possible monitoring system for compliance.

Tax law is complicated and changes are frequent. From our experience, annual testing is a healthy process reacquainting volunteers with tax law, verifying understanding of new law, and helping to make sure that only preparers with IRS acceptable levels of knowledge are assisting taxpayers. Annual standard testing is intuitively more reliable than attending seminars or other continuing education requirements that may or may not validate or ensure needed tax law knowledge.

Even having paid preparers, who are not otherwise credentialed, taking the volunteer test, as a start, begins a process of standardization and "bar setting" reasonably expected by taxpayers paying for a service to accurately meet their annual tax filing obligations. American taxpayers deserve no less. Volunteers and IRS SPEC have blazed a trail that can be followed by the paid preparer community as well.

Note – The IRS Oversight Board provided opportunity for comments on this subject February 19, 2008. I and others participated and many of the comments are preserved on the IRSOB's website.